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-and-

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Counsel SBA Steel II, LLC

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**-and-**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

*\*All papers shall be filed in the Lead Case, No.  
19-30088 (DM)*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11  
(Lead Case)  
(Jointly Administered)

**SBA STEEL II, LLC'S OBJECTION  
TO DEBTORS' PROPOSED CURE  
AMOUNT IN PLAN SUPPLEMENT**

Date: May 27, 2020  
Time: 10:00 a.m. (Pacific Time)  
Place: **Telephonic Appearances Only**

SBA Steel II, LLC ("SBA") hereby files this objection (the "Objection") to *Notice of Filing of Plan Supplement in Connection With Debtors' and Shareholder Proponents' Joint*

Chapter 11 Plan of Reorganization Dated March 16, 2020 [Docket No. 7037] (the “Plan Supplement”), filed by the above-captioned debtors (the “Debtors”), and in support of the Objection, SBA respectfully states as follows:

### **BACKGROUND**

1. The Debtors own or are allowed use of buildings and electric transmission, communication and other towers and structures located throughout northern and central California, and license space on such buildings and towers to telecommunication companies.

2. As of January 29, 2019 (the “Petition Date”), the Debtors and SBA were parties to certain agreements (the “Agreements”), under which SBA owns and operates telecommunication towers at the Debtors’ facilities and the Debtors have the right to install on the towers.

3. Under the Agreements, the Debtors and SBA are also parties to three revenue sharing arrangements (the “Sharing Arrangements”), with (i) Clearwire, (ii) Verizon, and (iii) T-Mobile. Under the Sharing Arrangements, the Debtors and SBA share the revenue received—50% to SBA, 50% to the Debtors—from licensing space on the towers to the third-party telecommunication companies. The Debtors only provide limited reporting to SBA of the amounts due to SBA under the Sharing Arrangements.

4. On October 21, 2019, SBA filed a proof of claim, assigned claim number 80759 by the Debtors’ claims agent, for an unsecured prepetition claim in the amount of \$30,760.65.

5. On March 16, 2020, the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* [Docket No. 6320] (the “Plan”) was filed with the Court.

6. On May 1, 2020, the Debtors filed the Plan Supplement, which provides that certain SBA Agreements are being assumed under the Plan with a \$0.00 cure amount, as follows:

SBA Entity	Title of Agreement	Proposed Cure Under Plan Supplement
Nextal Communications, Nextel Communications, Smart Smr California Incorporated	Master Agreement -XXMA010423	\$0.00
Nextal Communications, Nextel Communications, Smart Smr California Incorporated	Site License Acknowledgment	\$0.00
Nextel California	Master Agreement -XXMA010448	\$0.00
Nextel California	Master Agreement - XXMA010471	\$0.00
Nextel California	Master Agreement -XXMA010497	\$0.00
Nextel California	Master Agreement -XXMA010641	\$0.00
Smart Smr California Incorporated, Nextel California Incorporated, Nextel Communications	Master Agreement -XXMA010523	\$0.00
Smart Smr California, Nextel Communications	Master Agreement - XXMA010554	\$0.00

See Exhibit B to the Plan Supplement.

### **OBJECTION TO PROPOSED CURE AMOUNTS**

7. In order to assume an executory contract or unexpired lease, section 365(b) of the Bankruptcy Code requires a debtor to cure any defaults. 11 U.S.C. § 365(b)(1)(A). Furthermore, section 365(b)(1)(B) requires a debtor to, at the time of assumption, to compensate the counterparty for any actual pecuniary loss resulting from a default. 11 U.S.C. § 365(b)(1)(B).

8. SBA submits that in order for the Debtors to satisfy the requirements of section 365 of the Bankruptcy Code, any order of the Court authorizing the assumption of the SBA Agreements must capture SBA's Pre-Petition Amount and Sharing Amount (both as later defined).

9. As of the Petition Date, the Debtors owed SBA \$30,760.65 (the "Pre-Petition Amount"). See Proof of Claim No. 80759.

10. As of the filing of this Objection, SBA is owed \$99,047.14 on account of the Sharing Arrangements (the "Sharing Amount"):

SBA Site ID/ Name	Address	Sharing Arrangement Licensee	2019 Sharing Arrangement Amount Due to SBA	2020 Estimated Sharing Arrangement Amount Due to SBA
CA45163-A/ Hwy 680	Franquette Substation 1200 Franquette Ave. Concord, CA 94520	Clearwire	\$12,299.25	\$14,144.14
CA45163-A/ Hwy 680	Franquette Substation 1200 Franquette Ave. Concord, CA 94520	Verizon	\$18,461.40	\$19,015.23
CA45208-A/ Stine	Westpark Substation 3330 Truxtun Ave. Bakersfield, CA 93301	T-Mobile	\$17,304.00	\$17,823.12
SUBTOTAL			\$48,064.65	\$50,982.49
TOTAL			\$99,047.14	

11. SBA objects to the \$0.00 cure amount for the listed SBA Agreements. SBA asserts that it has a cure claim of \$129,807.79, which represents the Pre-Petition Amount (\$30,760.65) plus the Sharing Amount (\$99,047.14).

12. SBA reserves the right to supplement this Objection, including, but not limited to, for the purpose of asserting attorneys' fees, expenses, and/or interest due at the time of assumption. SBA also reserves the right to alter, modify, and/or assert additional cure amounts either as part of the Pre-Petition Amount or the Sharing Amount.

*[The remainder of this page is intentionally left blank]*

1           **WHEREFORE**, SBA respectfully requests that the Court enter an order  
2 (i) establishing that SBA holds a cure amount of \$129,807.79, and (ii) granting such other and  
3 further relief as is just and proper.  
4

5 Dated: May 19, 2020

By: /s/Barry A. Chatz

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(Jointly Administered)

CERTIFICATE OF SERVICE

Date: May 27, 2020  
Time: 10:00 a.m. (Pacific Time)  
Place: **Telephonic Appearances Only**

15 I, Barry A. Chatz, do declare and state as follows:

16 1. I am a citizen of the United States, over the age of eighteen years, and not a party  
17 to the within action. My business address is Saul Ewing Arnstein & Lehr LLP, 161 N. Clark  
18 Street, Suite 4200 Chicago, Illinois 60601.

20 2. I certify that on May 19, 2020, I electronically filed a true and correct copy of the  
21 following document with the Clerk of the Court using the CM/ECF system, which will send  
22 notification of such filing to the CM/ECF participants registered to receive service in this  
23 matter:  
24

25 **SBA STEEL II, LLC'S OBJECTION TO DEBTORS' PROPOSED CURE**  
26 **AMOUNT IN PLAN SUPPLEMENT**

1 I declare under penalty of perjury under the laws of the United States of America, that  
2 the foregoing is true and correct and that if called upon as a witness, I could and would testify  
3 thereto.  
4

5 Executed this 19th day of May, 2020, at Chicago, Illinois.

6 /s/ Barry A. Chatz  
7 Barry A. Chatz  
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